

MINERALS MANAGEMENT SERVICE

SURETY BOND

OIL POLLUTION ACT OF 1990

APPLICATION FOR CERTIFICATION OF OIL SPILL FINANCIAL RESPONSIBILITY
(TYPE OR PRINT ALL INFORMATION EXCEPT SIGNATURES)

AGENCY USE ONLY													
OSFRC NUMBER							SURETY NUMBER						

Pg. 1 of 2
Form MMS-1020 (Oct. 1998)
OMB No. 1010 - 0106
Expiration Date: Oct. 31, 2001

1. DESIGNATED APPLICANT: _____

COMPANY LEGAL NAME
MMS QUALIFICATION NO.

2. SURETY COMPANY BOND NUMBER: _____

3. KNOW ALL MEN BY THESE PRESENTS, that we, _____ of _____,

DESIGNATED APPLICANT
STATE OF INCORPORATION

 U.S.A., as Designated Applicant (hereinafter called Principal), and _____,

SURETY COMPANY

 a company created and existing under the laws of _____, and authorized to do business in the United States,

STATE

 as Surety (hereinafter called Surety), and are held and firmly bound unto the United States of America and other claimants for damages and removal cost liability under Title I of the Oil Pollution Act of 1990 (hereinafter called Act) in the penal sum of \$ _____,

SURETY AMOUNT

 for which payment, well and truly to be made, we bind ourselves and our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents under the terms and conditions prescribed in Part 253 of Title 30 Code of Federal Regulations.

This bond is written to ensure compliance by the Principal with the requirements of section 1016(c) of the Act; and shall inure to the benefit of claimants under Title I of the Act.

The condition of this obligation is that if the Principal shall pay or cause to be paid to claimants any sum or sums for which the Principal may be held legally liable under Title I of the Act, then this obligation, to the extent of such payment, shall be void, otherwise to remain in full force and effect.

4. The liability of the Surety shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penalty of the bond. In no event shall the Surety's obligation hereunder exceed the amount of the penalty, provided the Surety furnishes written notice to the Minerals Management Service (MMS) Oil Spill Financial Responsibility Program forthwith of all claims filed, judgments rendered, and payments made by the Surety under this bond.

Any claim for which the Principal may be liable under Title I of the Act may be brought directly against the Surety for claims asserted by the U.S. Government or, in the case of the Principal's insolvency or petition for bankruptcy under Title 7 or 11, U.S.C. 101, for claims asserted by other claimants through the U.S. Coast Guard National Pollution Funds Center. In the event of a direct claim, the Surety shall be entitled to invoke only (1) the rights and defenses permitted by Title I of the Act to the Principal and (2) the defense that the incident giving rise to the claim was caused by the willful misconduct of the Principal.

5. This bond is effective the _____ day of _____, _____, 12:01 a.m., central standard time

NUMBER
MONTH
YEAR

 as stated herein and shall continue in force until terminated as hereinafter provided. The Principal or the Surety may at any time terminate this bond by written notice sent by certified mail to the other party with a copy (plainly indicating the original notice was sent by certified mail) to the MMS Oil Spill Financial Responsibility Program by certified mail. The termination becomes effective thirty (30) calendar days after actual receipt by the MMS Oil Spill Financial Responsibility Program of written notice. The Surety shall not be liable hereunder in connection with an incident occurring after the termination of this bond as herein provided; but termination shall not affect the liability of the Surety in connection with an incident occurring before the termination becomes effective.

6. In witness whereof, the Principal and the Surety have executed this instrument on the _____ day of _____, _____.
NUMBER MONTH YEAR

PRINCIPAL:

SIGNATURE (OF A COMPANY OFFICER WHO IS A CORPORATE PRINCIPAL)

NAME (OF THE COMPANY OFFICER)

TITLE (OF THE COMPANY OFFICER)

(CORPORATE SEAL)

SURETY:

COMPANY NAME

ADDRESS

CITY STATE ZIP CODE

SIGNATURE (OF CORPORATE SURETY)

NAME (OF CORPORATE SURETY)

TITLE (OF CORPORATE SURETY)

(CORPORATE SEAL)